

SBM Universal Fund

30 June 2019

NAV per Share

MUR 27.34

Fund Objective

SBM Universal Fund is an open-ended fund constituted as a Trust under the SBM Unit Trust. It is duly authorised under the Securities Act 2005 and regulated by the Financial Services Commission. The fund invests in equities and fixed income instruments in the domestic and international market whilst keeping a balanced-risk strategy. The overall objective of the fund is to provide regular income and maximise returns on a long term basis for the benefit of the unit-holders.

Risk Profile



Fund Profile

Inception Date	Jun-02
Currency	MUR
Fund Size	MUR 412M
Issue / Redemption	Daily
Distribution	Yearly
Management Fee	1.0% p.a
Entry Fee	1.0%
Exit Fee	1.0%

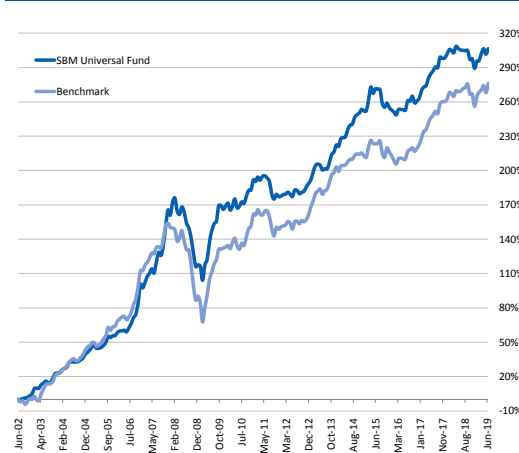
Fund Facts

Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	35% SEMDEX + 30% 1 yr Govt of Mauritius Bill + 35% MSCI World (MUR)
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

Top 10 Holdings

	% Net Assets
MCB Group Limited	10.8%
Mutual Aid - Fixed Deposit	7.1%
SIT Bond	4.9%
MHC - Fixed Deposit	4.9%
Afrexim Depository Receipts	4.5%
SBM Holdings Ltd	4.2%
Fidelity America Fund	4.0%
IBL Ltd	3.4%
Templeton Euroland Fund Class A (Acc)	2.6%
SBM Masata Bond Note - Series A USD	2.7%
Total	49.1%

Cumulative Performance



Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Inception	Annualized
Fund	1.2%	1.0%	4.4%	4.4%	0.3%	15.2%	19.7%	306.4%	8.6%
Benchmark	2.2%	1.5%	5.6%	5.6%	1.8%	21.4%	21.4%	276.0%	8.1%

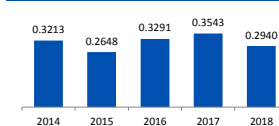
*All returns are calculated assuming dividends are reinvested.

Financial Year Return

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund	9.2%	-3.7%	6.3%	13.0%	9.3%	-5.0%	9.7%	4.7%	0.3%
Benchmark	14.5%	-3.6%	9.4%	10.9%	4.5%	-4.3%	12.4%	6.1%	1.8%

*Financial year as at June

Dividend per unit (MUR)

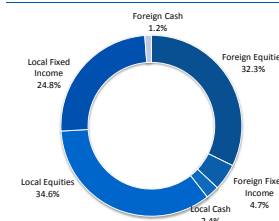


Risk Metrics

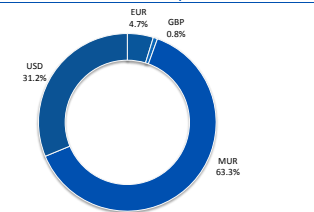
Volatility p.a.	1Y	3Y	5Y
Fund	4.4%	3.8%	4.1%
Benchmark	5.8%	4.3%	4.5%

Tracking Error p.a.	1Y	3Y	5Y
Fund	2.4%	1.7%	1.9%

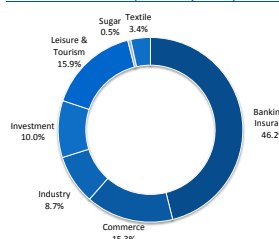
Asset Allocation



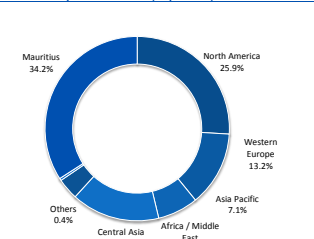
Currency Allocation



Sector Allocation (Local Equities)



Country Allocation (Equities)



Fund Manager Commentary

The Net Asset Value (NAV) of the Fund rose from MUR 27.02 to MUR 27.34 during the month, equivalent to a performance of 1.2%, while the benchmark posted a return of 2.2%.

Local equity indices registered negative performances during the month with the SEMDEX and DEMEX closing at 2,128.40 points and 228.27 points, equivalent to -0.2% and -0.4% MoM, respectively. The top three gainers for the month were Mauritius Development Investment Trust Ltd (+3.0%), Lux Island Resorts Ltd (+2.7%) and Cim Financial Services Ltd (+2.6%). The top three losers were National Investment Trust Ltd (-14.8%), BMH Ltd (-13.5%) and Sun Limited (-11.3%).

Global equities ended in positive territory after the Fed left the Federal fund rate unchanged and altered their approach from "patient" to dovish. US Fed Chairman, Jerome Powell, highlighted the possibility of a rate cut rate in near-term given the uncertainties surrounding the US-China trade talks and subdued inflationary pressures. Towards the end of the month, investor optimism returned after President Trump's declaration on progress with respect to trade talks. As a result, the MSCI World Index returned 6.5%, MoM in USD terms. Yields maintained their downward trajectory though, with the Barclays Aggregate Bond Index (U.S) registering a monthly performance of 2.2% in USD terms.

The S&P 500 index added 6.9% in USD terms during the month. Manufacturing Purchasing Managers' Index (PMI) was revised slightly higher to 50.6 in June from a preliminary reading of 50.5, synonymous to marginal improvement manufacturing sector's health. Annual headline personal consumption expenditure index (PCE) rose from 1.5% in May to 1.8%, closer to the Fed's target of 2%. US jobless rate remained at its historic low of 3.6% in May, although job creation decelerating strongly to 75,000. Average hourly earnings increased by 0.2% in May lowering the annual wages rise from 3.2% to 3.1%.

Eurostoxx 50 index posted local currency gains of 5.9% in June 2019. The Eurozone composite PMI index marginally improved to 52.2 in June compared to a preceding reading of 51.8, signalling a pick-up in economic growth of the single currency area. European markets advanced after President Draghi suggested that the ECB may provide more stimulus if inflation does not pick up, and on indication that the Fed may trim interest rates in the near future. In Italy, the FTSE MIB gained 7.2%, MoM in EUR terms. The European Union however began a process of opening Excessive Deficit Procedures (EDP) against Italy in June due to the exorbitant level of public debt sitting at 132% of GDP, second only to Greece in the Eurozone. The DAX index returned 5.7% in EUR terms during the month, although the manufacturing sector seems to be struggling which could lead to job cuts and falling consumer confidence in Germany.

In UK, the FTSE 100 registered returns of 3.7% in GBP terms. Elections dominated the news with Conservative Party leading the race and odds suggesting that Boris Johnson could be the next prime minister. Parliament, however, is still likely to prevent a no deal Brexit, unless a general election or referendum takes place and provides a strong mandate from the population for such an outcome, with polls indicating only about 30% of UK voters favoring a no deal Brexit.

The Nikkei 225 registered a JPY return of 3.3% during the month. Japanese President, Shinzo Abe visited Iran in June, in an attempt to ease the US-Iran tension and to lift Japan's influence on the global stage. Manufacturing PMI, however, edged down from 49.8 in May to 49.5, reflecting a further loss of momentum across the manufacturing sector. Consumer price inflation fell to 0.7% YoY in May 2019 from a 6 month-high of 0.9% in the preceding month while the unemployment rate stood unchanged at 2.4% in May 2019.

Emerging market equities gained 5.7% in USD terms but upside was capped by lacklustre performance of major Asian equity markets. The Shanghai Composite Index posted only 2.8% during the month. Ongoing trade talks between US and China halted further escalation in tariffs but there were no major signs of progress in addressing key sticking points in the negotiations. On the other hand, Indian equities shed -1.4%, MoM in INR terms. Gains were mitigated amid concerns over rising crude oil price and the announcement of retaliatory trade tariffs against the US.

Investment options & Contact details

Lump Sum	Minimum amount of MUR 500
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